

# INITIAL CREDIT RATING REPORT HAZI SHAMSUL ISLAM & SONS



Ref. no.: FR/2023/034035

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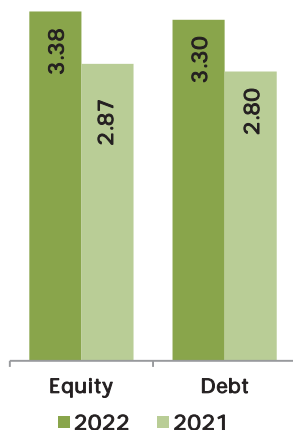
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## Key Snapshot:

BDT. In million

Particulars	2022	2021
Revenue	43.20	28.00
EBIT	1.62	1.14
Net Profit	1.38	0.87
Total Assets	6.68	5.67
Total Equity	3.38	2.87
Total debt	3.30	2.80
Net Profit Margin (%)	3.2	3.1
CCC (Days)	44	61
ICR (X)	6.87	4.29

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	03 October 2023	02 October 2024

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Hazi Shamsul Islam & Sons (hereinafter referred as "HSIS" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Long business experiences of the proprietor in the business
- Good business network
- Good Net Worth of the Proprietor
- Owned business premises and storage facility
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good limit utilization

However, the above rating has been moderated to some extent due to some factors like:

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that HSIS will be able to maintain its good fundamentals in the foreseeable future.

This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.